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C O N F I D E N T I A L SECTION 01 OF 02 YEREVAN 000755

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TAGS: [PREL](#) [EAID](#) [ENRG](#) [ETTC](#) [PARM](#) [ETRD](#) [AM](#) [IR](#)

SUBJECT: CDA RAISES ENERGY SECURITY, NUCLEAR POWER, AND IRAN
GAS PIPELINE WITH ENERGY MINISTER

Classified By: CDA A.F. Godfrey, reasons 1.4 (b,d)

¶1. (C) SUMMARY: We met with Energy Minister Movsissian June 1 to explore Armenia's current plans and thinking with regard to replacing the Soviet-era Armenian Nuclear Power Plant (ANPP). Press reports had suggested Armenia had made deals with Russia for the construction of a new nuclear plant, however Movsissian and deputy energy minister Galstyan said that news media had significantly exaggerated and distorted the nature of the preliminary talks with Russia. We reiterated U.S. willingness in principle to consider how Armenia could best replace the capacity of ANPP, and that we have no Russophobia on the issue. Our priority concern is that the unsafe ANPP be properly decommissioned and shut down as soon as is feasible, and we understand that almost certainly will require replacing this capacity with a new nuclear plant. Movsissian indicated he shared our goals.

¶2. (C) CDA used the opportunity to renew our concerns about Armenia's energy engagement with Iran, especially in light of Iran's nuclear misbehavior and recent UNSCRs imposing sanctions on Iran. Movsissian replied that Armenia had no choice but cooperate on energy with its southern neighbor.
END SUMMARY

OUT WITH THE OLD NUKE; IN WITH THE NEW?

¶3. (C): CDA, USAID Mission Director, and other emboffs called on Energy Minister Armen Movsissian and Deputy Energy Minister Areg Galstyan to inquire about the status of Armenia's plans to decommission the Armenian Nuclear Power Plant (ANPP) at Metsamor, and replace that capacity, most likely with a new nuclear plant. The meeting came in the wake of widespread local media reports that Armenia had just established a joint working group with Russia to plan for a new nuclear plant. The minister and deputy minister each promised to provide the U.S. Embassy readouts of the periodic meetings of the new Armenia-Russia working group, of which deputy minister Galstyan would be the Armenian chair.

¶4. (C) The CDA inquired about the GOAM's position on our offer of funding to carry out part of a feasibility study for a new nuclear power plant to replace ANPP, and whether the GOAM was dragging its feet because it simply preferred to deal with Russia in this sector. He affirmed that we see no incompatibility between our participation and that of Russia, and that we were not averse to Russia eventually having the lead on constructing a new, safe, nuclear plant if that is what proves to be the best choice for Armenia. Movsissian insisted that there was no intent to stall on the USAID feasibility study; the issue had simply gotten mired in GOAM deliberations over the technical details. The GOAM still

very much wants our assistance in funding a feasibility study. He highlighted site survey, capacity, and safety parameters, among others, as areas for a U.S.-funded feasibility study to cover--all told, a number of issues well beyond what we will be able to fund, as CDA clarified. Movsisian understood, noting however, the importance to have many of these areas studied by credible, independent international experts, in order for the project to enjoy international confidence.

15. (C) CDA also reaffirmed our high priority in seeing ANPP safely and properly decommissioned on time. We had also seen press reports musing about a life extension program to ANPP, to keep the old nuclear plant running perhaps until 2025. He weighed in strongly that that would not be an acceptable option for the United States, and such a course would imperil the U.S. funding stream in the nuclear sector. ANPP's designed simply cannot be made completely safe, and it must be closed as early as practicable. Movsisian said this too had been seriously misconstrued by the media. The government's point was simply that it will have to keep ANPP going until a modern replacement is ready. There is no thought of undertaking a significant life extension of the plant. CDA emphasized that Armenia must urgently get serious about funding and planning for decommissioning and replacing the ANPP capacity in order to have any hope of shutting down ANPP close to on schedule, in 2016.

DEALING WITH IRAN

16. (C) CDA renewed to Minister Movsisian serious U.S. concerns about Armenia's energy engagement with Iran. New

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energy initiatives are particularly troubling to us right now, in light of the international community's efforts to curtail Iran's illicit nuclear program and the UN Security Council Resolutions 1737 and 1747. He urged that Armenia must be fully on board with the international effort to keep up the pressure on Iran. He noted we were disappointed that Armenia had allowed President Ahmadi-nejad to visit Armenia (at the southern border town of Meghri) to preside over the opening ceremony of the new Iran-Armenia gas pipeline, and that rumblings of further engagement in the sector caused us greater concern.

17. (C) The minister insisted that Armenia had done no more than it must in the context of its situation, and had done its best to downplay ties to Iran.
GODFREY